A Publication of Communication Channels, Inc.

DECEMBER 1988

AMERICAN CITY & COUNTY®

Phoenix's Rising Star

Leader of the Year:
Mayor Terry Goddard

Fifth Annual Awards of Merit

America's Housing Crisis

League of Cities Conference Issue

AMERICAN CITY & COUNTY®

December 1988 Vol. 103, No. 12

COLUMNS

8 **Financial Management** . . . The trouble with variable rate debt is that the debt may be returned to the issuer on short notice.

10 **Information Technology** . . . Geographic information systems can have a wide variety of applications.

12 **Inside Washington** . . . A national research council has found that older drivers have special needs.

COVER STORY

28 **Phoenix Soaring Under Goddard**
Recognized as one of the nation's top mayors and as an emerging force at the national level, Terry Goddard is the 1988 *American City & County* Municipal Leader of the Year.

PRODUCT FOCUS

36 **1988 Product Review**
A special color section highlights some of the most useful and innovative items that debuted this year.

SPECIAL REPORT

40 **Finding a Home for the Homeless**
American city and county officials are painfully aware of the plight of the homeless, and many are trying new methods to solve the problem. ☐ **42** Public/Private Sectors Solve Housing Dilemma ☐ **44** New Jersey Solves Housing Woes

AWARDS OF MERIT

48 **Fifth Annual Awards of Merit**
Communities from across the nation are honored for meeting critical needs in times of budgetary stress. ☐ **48** Illinois Community Rehabilitates Sewers ☐ **50** Broome County, N.Y., Attracts Development ☐ **50** Long Beach Automates Budget ☐ **52** Water Supply Expanded in Texas ☐ **54** North Carolina Landfill Turned into a Park ☐ **58** Minnesota Solid Waste Plan Saves Resources ☐ **58** Private Toll Bridge Spans Minnesota, North Dakota ☐ **62** Texas Town Reuses Buildings ☐ **63** Rail Problem Solved in Colorado

FINANCE

66 **A New Way to Review Municipal Performance**
The author examines a unique method to determine whether an employee deserves an increase in pay.

Cover photography by Tom Gerczynski, Phoenix, Ariz.

48 Awards of Merit

40 Housing Crisis

10 Geobased Mapping

DEPARTMENTS

4 **Editor's View**
6 **Calendar**
16 **Across America**
26 **Resource Recovery**
69 **Newsmakers**
70 **Services & Contracts**
72 **Buyer's Index**
77 **Professional Services**
80 **Classified**
84 **Municipal Cost Indexes**

AMERICAN CITY & COUNTY

JANETTE MITCHELL Editor
TIM DARNELL Associate Editor
DAN TREADAWAY Associate Editor
CHERI MASON Editorial Assistant
KIM BEURY Washington Correspondent
KEN ANDERBERG Editorial Adviser
STEVE STONE Associate Publisher/ Advertising
MARTY GREENE Production Director
PAT GREENE Production Manager
BRIAN BUXTON Art Director
ELMER DALTON Circulation Director
KATHY WILSON Circulation Manager
NANCY HICKS Promotion Director
JAMIE HOOD Associate Promotion Director
SHERI LANE Classified Advertising
PETER WARD Marketing Director

EDITORIAL ADVISORY BOARD

RICHARD BERKLEY Mayor, Kansas City, Missouri
CLYDE W. FRITZ Vice President, Johnson & Higgins
CHESTER FUNNYE Commissioner, Public Works, Atlanta, Georgia
RONALD JENSEN Director, Public Works, Phoenix, Arizona
DANIEL A. KLEMAN City Manager, Tallahassee, Florida
ANN KLINGER County Supervisor, Merced County, California
PAMELA PLUMB City Councilor, Portland, Maine
MEL POWELL Dean, Public Policy and Administration, California State University, Long Beach
PETER SFERRAZZA Mayor, Reno, Nevada
COSTIS TOREGAS President, Public Technology Inc.
JOHN T. WALSH Director of Finance (Retired), Hartford, Connecticut
BUFORD WATSON City Manager, Lawrence, Kansas

VBPA American City & County is published monthly by Communication Channels, Inc., Jerrold France, President; Lawrence Moores, Executive Vice-President; Buford Bryant, Treasurer. Editorial and advertising offices at 6255 Barfield Road, Atlanta, GA 30328. Telephone 404-256-9800. American City & County is a registered trademark of Communication Channels, Inc.

© 1988 by Communication Channels, Inc., Atlanta, Ga., Second-class postage paid at Atlanta, Ga., and at additional mailing offices. Subscription rates: U.S.A., 1 year, $42; 2 years, $63; Canada and Mexico, 1 year, $46; Foreign, 1 year, $62; overseas air mail, $112; Single copies, $3.50. Municipal Index, $44.50 (Domestic) and $57.50 (Foreign). The opinions expressed by authors and contributors to American City & County are not necessarily those of the editors or publisher. Articles appearing in American City & County may not be reproduced in whole or in part without permission of the publisher. Microfilm copies of American City & County are available from Xerox University Microfilms, Ann Arbor, Mich., 48109. Postmaster: Please send form 3579 to Circulation Department, American City & County, 6255 Barfield Road, Atlanta, GA 30328.

ISSN 0149-337X

A Glimpse into the Future

No one less than a "superhuman" could meet the challenges that will face the city managers of tomorrow, according to Lillian Webb, county commission chairwoman for Gwinnett County, Ga. Contemplating what is ahead is "mindboggling," says City Manager Robert Bocwinski of Columbia Heights, Minn.

Webb and Bocwinski were part of a panel that explored "Managing into the 21st Century" during the International City Management Association (ICMA) conference in Charlotte, N.C. It also was a topic Mayor Henry Cisneros of San Antonio, Texas, discussed at the same conference, bringing city managers to their feet in applause.

The visions were frightening and grim, yet intriguing and challenging.

The combination of shrinking resources, especially federal dollars, and multiplying social problems will force cities into new roles as social service providers, panelists predicted.

Poverty, homelessness, AIDS and drug abuse will worsen as the nation enters the 21st century and local governments will strain to provide basic human services. Cities and counties increasingly will find themselves pooling resources to meet these needs.

Echoing the message at ICMA was a survey conducted by the City Planning and Management division of the American Planning Association. Planning directors from the nation's largest cities were polled and fewer than one in 10 said they were optimistic about the social situation in their own cities, although two-thirds foresee bright economic futures.

"This indicates that economic growth alone will not solve urban problems and that if we only pay attention to economic questions, the urban backbone of America will fail," said Minneapolis Planning Director Oliver E. Byrum, author of the survey report.

Cisneros and panelist Russell Owens, director of the National Policy Institute, Joint Center for Political Studies, discussed trends that will have a tremendous impact on local governments in years approaching 2000. Cisneros characterized the changes going on in the United States as "constant and relentless" and said the "sweep of change will continue beyond the year 2000."

Both cited the aging of America's population and the burgeoning of minorities. Owens, who also predicted a surge in immigrants, said services must be tailored to the special needs of the elderly and the cultural newcomers, while Cisneros warned that such demographic changes present a tremendous potential for political explosion.

On the economic side, "New Federalism" and decentralization will continue, forcing new relationships between various levels of government and putting more of a burden on cities and counties. Foreign business ownership and investment in the United States will continue to grow, Owens said, meaning that cities and states will be called upon to play a much larger role in international affairs and international trade.

Cisneros also sees conservatism as a continuing trend and fears a further polarization along income lines because of the societal change from manufacturing to services. Twenty percent of the American people last year earned 43 percent of the national income, Cisneros said. "This is dangerous," he said, sounding a warning for America not to accept the idea of a permanent underclass.

Although both speakers said there will be no return to national support for urban programs and no great national renaissance, they also both cited opportunities for local governments. Infrastructure repair, innovations in productivity, and even improvements in education will be at the state and local level, "or they're just not going to be," Cisneros said. Owens suggested that solutions to public policy dilemmas of the future will be found through partnerships between governments, the business community and special-interest groups because the issues of the future will require a level of sophistication and expertise few cities have available on a regular basis.

Another sign of these times, Cisneros said, will be meeting the challenge for an improved quality of life. Such life-enhancing things as cultural planning, the greening of communities, animation of downtowns, establishing preservation districts, incorporating design strategies and preserving ethnic districts and celebrations increasingly will be demanded.

"How we carry forth these themes will define excellence in government," Cisneros said. "You (city managers) are the cutting edge of our society. As you excel, so does our country." □

—Janette Mitchell

MUNICIPAL COST INDEXES

The **Municipal Cost Index** and the **Consumer Price Index** both registered 0.7 percent increases from last month, to 116.2 and 119.8, respectively. The **Construction Cost Index** rose to 118.9, a 0.6 percent rise since November, while the **Producer Price Index** saw the smallest increase, a 0.1 percent gain to 108.1.

Some commodities remained steady, with glass containers and iron registering no increases or decreases. Diesel fuel and residual fuel both saw declines of 35.1 percent from last year.

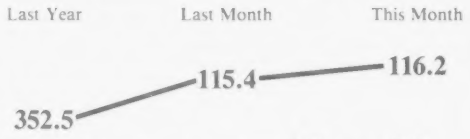
—Compiled by Tim Darnell

THIS MONTH'S MARKETBASKET

	Current Index	Percent Change From: Last Month	Last Year
Air Conditioners	113.8	0.5	4.4
Apparel	112.1	0	3.1
Asphalt Roofing	95.3	−0.6	2.7
Ball Bearings	113.1	0.8	4.7
Coal	95.4	0.1	−0.7
Communication Devices	102.9	0.1	0.2
Concrete Products	110.2	0.2	0.8
Construction Machinery	112.2	0.3	2.7
Diesel Fuel	39.6	1.0	−35.1
Electric Components	118.2	0.4	2.7
Electric Power	116.3	−0.1	1.5
Floor Coverings	115.3	0.9	3.4
Fuel Oil No. 2	47.0	0.4	−21.1
Foundry Products	110.2	0.1	4.5
Furniture	118.2	0.3	4.5
Gasoline	62.2	2.1	−3.1
Generator Sets	121.0	0.3	5.5
Glass	110.2	0.5	2.3
Glass Containers	112.2	0	−0.6
Gypsum Products	108.0	−0.3	−9.6
Hardware	113.9	0.4	3.8
Heating Equipment	120.1	−0.3	3.9
Industrial Chemicals	110.1	1.2	15.2
I.C. Engines	111.9	0.6	2.1
Iron	82.8	0	−1.8
LP Gas	49.4	−8.5	−17.1
Lumber	121.8	−2.9	2.4
Metal Fabrications	116.5	0.3	10.3
Mixed Fertilizers	104.6	−0.3	9.5
Motor Vehicle Parts	107.5	0.5	1.4
Natural Gas	77.2	3.6	−3.3
Office Machines	107.6	0.5	2.2
Paint	116.4	0.3	6.1
Paper	124.8	0.2	8.3
Passenger Cars	112.2	−0.5	1.6
Petroleum	45.2	−1.7	−26.0
Plastics	137.0	2.2	21.1
Plumbing Fixtures	130.8	1.5	8.5
Plywood	100.2	−4.8	−2.5
Portland Cement	103.2	−0.6	0.5
Pumps	109.6	0.5	4.3
Residual Fuel	39.6	1.0	−35.1
Rubber	111.8	1.0	9.6
Sand, Gravel	121.0	0.5	2.0
Sanitary Papers	115.4	−0.2	5.9
Soaps, Detergents	115.6	0.6	5.7
Sporting Goods	106.3	0.1	3.7
Steel Mill Products	112.0	0.6	10.1
Switchgear	113.4	0.1	2.7
Synthetic Fibers	97.8	0.1	6.7
Tires, Tubes	95.7	0.4	5.0
Tools, Dies	111.2	0.5	1.6
Transformers	109.8	1.1	1.2
Transmissions	116.4	0.2	4.1
Trucks	124.2	0.1	2.9
Valves	115.4	1.3	6.5
Wire, Cable	126.2	−0.7	17.4
Wiring Devices	124.4	0.6	4.3

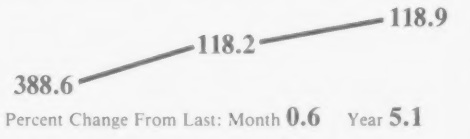
At-A-Glance Changes

MUNICIPAL COST INDEX



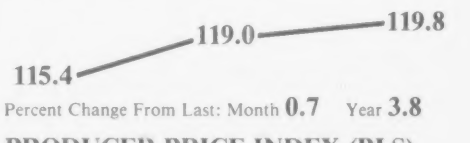
Percent Change From Last: Month **0.7** Year **5.5**

CONSTRUCTION COST INDEX



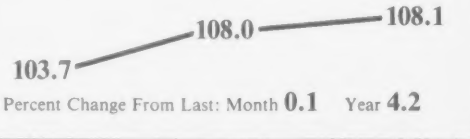
Percent Change From Last: Month **0.6** Year **5.1**

CONSUMER PRICE INDEX (BLS)



Percent Change From Last: Month **0.7** Year **3.8**

PRODUCER PRICE INDEX (BLS)



Percent Change From Last: Month **0.1** Year **4.2**

These figures are calculated on a base year of 1982.

QUARTERLY MUNICIPAL TRENDS

	Current Level	Percent Change From: Last Qtr.	Last Year
Receipts	682.4	2.8	8.0
Federal Grants	111.2	10.0	9.8
Durable Purchases	29.3	2.8	11.4
Consumables	45.7	0.4	9.9
Services	430.0	2.1	8.3
Structures	64.8	−0.2	1.1
Salaries, Wages	338.3	2.0	7.9
Surplus	91.7	2.6	10.3
Employment	14.413M	0.9	−18.5